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ASX 200 Faces Drop Despite Global Gains

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– Categories: Economics



The Australian Securities Exchange 200 (ASX 200) is expected to open Tuesday on a weaker note, reversing the modest recovery seen at the start of the week. Based on the latest SPI futures, the benchmark index is forecast to fall by 61 points or 0.7 percent. This comes even as the United States markets ended mixed, with the Nasdaq gaining 0.3 percent and the Standard and Poor's 500 (S&P 500) rising slightly. The Dow

Jones Industrial Average slipped by 0.15 percent, reflecting ongoing investor caution in global markets.

Shares in Fortescue Ltd (ASX: FMG) may remain steady following a revised hold rating from Bell Potter. The brokerage lifted its target price from \$15.87 to \$17.40, citing strong cost control and the potential for sustained margins into the 2026 financial year. However, the forecast for iron ore prices remains subdued, prompting expectations of softer earnings and dividend payouts. Bell Potter noted the mining company's reduced energy division expenditure as a reason for improving its outlook slightly, while still maintaining a conservative stance on share movement. 

Energy stocks such as Karoon Energy Ltd (ASX: KAR) and Santos Ltd (ASX: STO) are likely to benefit from a jump in global oil prices. West Texas Intermediate (WTI) crude oil rose by 2.9 percent to US\$67.05 per barrel, while Brent crude also increased by 2.9 percent to US\$70.39 per barrel. The gains followed the announcement of a new trade agreement between the United States and the European Union, boosting investor confidence in global energy demand. This momentum may help lift sentiment in Australia's energy sector, which remains an important contributor to the economy.

Liontown Resources Ltd (ASX: LTR) will be under scrutiny as it delivers its fourth quarter update. Analysts from Macquarie Group Ltd (ASX: MQG) expect lithium production of 102 thousand tonnes, slightly above consensus estimates. This is considered encouraging given the ongoing weakness in lithium prices. Meanwhile, gold miners Evolution Mining Ltd (ASX: EVN) and Ramelius Resources Ltd (ASX: RMS) could face pressure after gold futures dipped by 0.55 percent to US\$3,316.9 per ounce. The decline was linked to decreased demand for safe haven assets following

the US-EU trade deal. Tuesday's trading session will likely test investor sentiment across commodities, mining, and energy sectors, with broader market direction hinging on global developments.

